GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2727
ANSWERED ON:20.03.2002
ENTRY OF FOREIGN PHARMACEUTICAL COMPANIES
JASKAUR MEENA

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government have given permission to the foreign companies to set up fully owned units in India in the pharmaceutical sector;

(b) if so, the reasons therefor;

(c) whether the domestic pharmaceutical companies will be effected owing to their entry in the market; and

(d) if so, the extent of the impact?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI A. RAJA)

(a) & (b): Yes, Sir. As per the extant FDI policy, FDI up to 100% is permitted under the automatic route in Drugs and Pharmaceuticals sector provided the activity does not attract compulsory licensing or use of recombinant DNA technology and Pharmaceuticals involving compulsory licensing or use of recombinant DNA technology and specific cell tissue targeted formulations is permitted under Government FIPB route.

(c) & (d): The advantage of FDI lies not only in supplementingdomestic investment efforts by way of capital infusion but also in the infusion of state-of-the-art technologies and best global practices, which enhance the international competitiveness of the domestic industry.